

**ADEQ/EPA Meeting**  
**February 17, 2016, 9:00-11:00 am**

**-9:00-9:15—Welcome and Introductions**

Attending from ADEQ will be Eric Massey, Air Division Director; Tim Franquist, Deputy Air Division Director; Marina Mejia, SIP Section Manager; Kaibah Tsosie, Planning Section Manager; Ryan Templeton, Technical Analysis Unit Manager; Balaji Vaidyanathan, Permits Section Manager; various staff.

**-9:15-10:00—Submitted SIPS – Short Updates**

- Pinal PM10
  - ADEQ submitted a moderate area PM10 nonattainment plan and related control and contingency measures after a lengthy review process with EPA in fall 2015 (due date was January 2014).
  - The plan's control measures are applied via the State's Agricultural Best Management Practices (AgBMP) program to sources such as on-field agricultural operations and confined animal feeding operations (CAFOs), while the pre-implemented contingency measures are applied to sources of fugitive dust, such as unpaved roads, and construction operations. Because the area must average no more than one exceedance per year over the 2016 through 2018 timeframe, immediate, expeditious and effective implementation of control measures is needed if West Pinal County is to attain the PM10 standard by the required attainment date of December 31, 2018.
  - Preliminary reviews of the PM<sub>10</sub> plan identified several issues concerning the emissions inventory, the attainment demonstration, reasonable further progress, and transportation conformity.
  - The most immediate issues surround transportation conformity and the motor vehicle emissions budget for the West Pinal PM<sub>10</sub> plan.
  - We expect that additional work and a supplemental plan submittal will be needed to resolve the issues. We are working with EPA's Office of Transportation and Air Quality (OTAQ) to develop our recommended solutions to these issues and we will communicate our recommendations to ADEQ and MAG in a joint meeting soon.
  - Related to the PM<sub>10</sub> plan submittal, was the shutdown of the Cowtown PM<sub>10</sub> monitor and the successful start-up of its replacement PM<sub>10</sub> monitor at the Hidden Valley monitoring site on January 9, 2016. Previously, the Cowtown monitor consistently recorded the highest number of exceedances and some of the highest ambient PM<sub>10</sub> concentrations in the area.
- Regional Haze
  - FIP Reconsideration (SRP/Coronado)  
We are replacing a plant-wide compliance method with a unit-specific compliance method for determining compliance with the best available retrofit technology (BART) emission limits for nitrogen oxides (NOX) from Units 1 and 2 at Coronado. We are currently working through HQ review leading to Administrator signature on the Final FR Notice, with the goal of having it signed by March.
  - FIP Reconsideration (Phoenix Cement and CalPortland Cement)  
We are continuing to work on a proposed rulemaking for this FIP Reconsideration—Cal Portland is hoping to have a proposal in the next six months, which seems reasonable to us.
  - BART SIP Revision (Cholla)  
We are conducting our completeness review and had an update call on February 9 to discuss progress.
  - 5-yr Progress Report  
The FIP Reconsiderations are our priority, but we are planning to turn our focus to this report as soon as we can once these more urgent projects are further along.
- Infrastructure SIPs
  - NO<sub>2</sub> and SO<sub>2</sub>  
Draft proposed rulemaking and TSD are being reviewed by ORC. We expect signature on proposal this spring. We are still waiting on SO<sub>2</sub> transport guidance from OAQPS.
  - O<sub>3</sub> Transport

Draft proposed rulemaking and TSD are being reviewed by OGC and OAQPS. We expect signature on the proposal in late February or early March to meet the June 7, 2016 consent decree deadline.

- PM<sub>2.5</sub>

PM<sub>2.5</sub> was submitted to us on time. We anticipate that it will become complete by operation of law in May and that we will begin work on a proposal later this year.

#### **-10:00-10:30—SIPs Under Development**

- **Hayden and Miami SO<sub>2</sub>**

- We are in agreement on major controls for both facilities but a few technical and deadline issues remain.
- Could lead to partial approval/disapproval for deadline and/or technical issues.
- Immediate next steps - review of rules/SIP for a submission by in summer 2016.

- **Pinal PM<sub>2.5</sub>**

- The West Pinal area was designated nonattainment for the 2006 PM<sub>2.5</sub> standard in February 2011 based on 2006 – 2008 data and was required to submit an attainment plan by March 2014.
- Subsequently, in September 2013, we made a clean data finding based on 2010-2012 data. The clean data finding set aside attainment-related statutory requirements and left a requirement for the State to submit an emissions inventory. Due to the court decision on the particulate matter subpart1/subpart 4 implementation guidance, the due date for submittal of West Pinal's PM<sub>2.5</sub> emissions inventory was extended to December 2014.
- In 2014, the West Pinal area violated the 24 hour PM<sub>2.5</sub> standard with a design value of 36 mg/m<sup>3</sup>, just over the standard of 35 mg/m<sup>3</sup>.
- Given the priorities of submitting a PM<sub>10</sub> plan, adopting and implementing PM<sub>10</sub> control measures (which are anticipated to also reduce PM<sub>2.5</sub> emissions), and relocating the Cowtown monitor, the State has only recently returned to the drafting of a PM<sub>2.5</sub> emissions inventory. Earlier this month, we commented on a pre-release draft emissions inventory.

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- **Hayden Pb**

- SIP development is ongoing. We really appreciate ADEQ's efforts to keep us updated on plan development and to check in with us when they have questions.

- **Hayden PM<sub>10</sub>**

- The Hayden area is attaining the standard based on the 2014 design values. Attainment requires no more than one exceedance over an average of three years. The area averaged 0.7 exceedances over 2012-2014.
- With no approved SIP in place, a number of outstanding attainment plan requirements must be addressed before the area can be redesignated. We understand that ADEQ is planning to submit a combined attainment/maintenance plan and redesignation request in early 2017.
- ADEQ staff have been working with EPA staff to identify outstanding requirements and determine best approach for technical analysis.
- ADEQ has also indicated they would like to pursue redesignation for Miami. Work has not begun.

- **Maricopa O<sub>3</sub> bump up**

- Our work with MCAQD on their RACT SIP and MAG on the RACM analysis is ongoing. We are aware of the Intel NOx offset issue and will be talking more about that this afternoon, but we are also happy to discuss it now.

#### **-10:30-11:00—Other Topics**

- **Yuma PM<sub>10</sub>**

- The Yuma PM<sub>10</sub> nonattainment area, in the western part of the county, was classified initially and remains Moderate. ADEQ withdrew their 2004 and 2005 plans after we made a clean data finding in 2006, suspending planning requirements.

- Since then, violations are frequent, but the state flags them as exceptional “high wind” events. In 2014, the state indicated that Yuma PM<sub>10</sub> redesignation was their top redesignation priority.
- R9 staff spent 2014 working with the state on the first elements of a redesignation request and maintenance plan: development of a 2011 base year inventory and development of the background for reasonable controls.
- In November we sent a letter to Eric Massey, pointing out the lack of reasonable controls on all significant source categories, and encouraging a SIP submittal approach.
- Initial discussions after the letter have focused on actions the state and EPA could take. A (voluntary) RACM SIP was discussed, but lacks interest as we don’t know what attainment year we’d be using as a goal.
- SIP-strengthening reasonable controls may be the best option. ADEQ may need help from EPA to convince locals to implement controls.
- EPA could withdraw the clean data finding. This is an unlikely, but allowed, action. EPA has rarely if ever reversed a CDF; some possible outcomes would be inflammatory: Bump-up to Serious, reinstatement of SIP submittal requirements; since we are past all CAA deadlines, possible 5% plan.
- Designations for the 2015 O<sub>3</sub> Standard
  - We have a presentation prepared for this afternoon’s meeting, but would be happy to discuss any questions or concerns that you have now.
- NOx and VOC Offsets
  - We have a presentation prepared for this afternoon’s meeting, but would be happy to discuss any questions or concerns that you have now.
- SIP Notebooking
  - Kevin Gong and Jeff Wheling have been working with ADEQ to transition the AZ SIP from paragraph format to a table format and to rescind obsolete and erroneous parts of the SIP. We have been calling this effort SIP notebooking. It will provide greater transparency about the SIP and prevent issues with IBR.
  - We received the SIP revision rescinding outdated provisions in mid-January. We really appreciate all of ADEQ’s hard work on this.
- SIP Process Improvement Effort
  - Colleen, Doris, and Maeve have been meeting with Marina, Kaibah, and Ryan to discuss ways that we can improve various aspects of SIP development. So far we have had discussions on improving communication and timeframes and document review.

#### Miscellaneous Issue(s):

##### Hickman Egg Farm

- Hickman Egg Farm has two facilities located in western Maricopa County (Arlington and Tonopah), and consists of a chicken farm as well as an egg manufacturing operation.
- The facilities are considered a minor source for NSR and title V permitting, and at least one has a non-title V operating permit from Maricopa County Air Quality Department.
- A combination of local and regional environmental groups have filed a complaint alleging, among other issues, that the facility in Tonopah should be title V major. EPA has gotten a lot of phone calls and emails about this and the issue has received a lot of press.
- The Enforcement Division is looking into the issue but it is unclear if there is anything they can do.
- From a permitting standpoint, the issue is that the PTE of industrial equipment at the facility, such as emergency generators, storage tanks, dryers, etc, are well below major source thresholds. The complainant’s assertions that the facility is a title V major source rely on the inclusion of VOC emissions from agricultural activities that are exempt from Clean Air Act permitting.
- Based on the available documentation, Maricopa County appears to have permitted all of the equipment for which they reasonably can assert some authority. The exemptions affect PM<sub>10</sub> and VOC emissions from certain equipment/operations at the facility.

- Particulate Matter: Maricopa County regulates particulate matter primarily through County Rules 310 (Fugitive Dust) and 311 (PM from Process Industries). Per Arizona Revised Statute 49-457, regulated agricultural activities must instead comply the agricultural BMPs issued by the agricultural committee. Per ARS 49-457(O), “[...]this section preempts further regulation of regulated agricultural activities by a county, city, town or other political subdivision of this state.” We have raised this issue with ADEQ and Maricopa, and have asked them to provide a legal justification for this exemption from CAA permitting.
- VOC: On January 31, 2005, EPA apparently entered into/offered a Consent Agreement and Final Order with animal feeding operations. In summary, an animal feeding operation (AFO) that signs the agreement, in exchange for paying a civil penalty and making their facilities available for monitoring, will not be pursued over violations related to emissions from agricultural livestock and their waste (there are other conditions). At the same time, EPA will be developing an emission estimation methodologies (EEM) guidance document, as well as emission thresholds. Once the EEMS become available, facilities will need to apply for and comply with permits. The current state of the EEMs is unclear. EEMs for certain operations are available in draft form, but none have been finalized yet. While that does not preclude state or local districts from requiring permits, it should come as no surprise that most have not.